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BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Annual Reports for the Year Ended December 31, 2003, Filed by
Incumbent Local Exchange Carriers on a Confidential Basis

INFORMATION REGARDING CONFIDENTIAL FILINGS

Introduction

This information is being provided to assist incumbent local exchange carriers (LECs) who wish to request confidential handling of portions of their 2003 LEC annual reports. The statutory filing date for the LEC annual report covering 2003 calendar year operations is April 1, 2004;¹ 85 LECs are required to file this report for the 2003 calendar year. The Commission has the authority to compel the filing of this annual report pursuant to Wis. Stat. § 196.07.²

Filing Process

The 2003 LEC annual report is contained in the 2003 Annual Report Program for LECs. A number of changes from the 2002 LEC annual report are reflected in the 2003 LEC report. They are as follows:

1. All dollar amounts should be reported to the nearest thousand dollars (in 000's). (Example: \$130,000 should be reported as \$130.)

¹ Due to the delay in the release of the 2003 LEC annual report program, the due date for the 2003 LEC annual report was extended to June 25, 2004.

² Wis. Stat. § 196.07 provides in part: (1) Each public utility shall close its accounts annually on December 31 and promptly prepare a balance sheet of that date. On or before the following April 1 every public utility shall file with the commission the balance sheet together with any other information the commission prescribes, verified by an officer of the public utility. The commission, for good cause shown, may extend the time for filing the balance sheet and prescribed information.

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2. Extensive revisions were required in the financial portion of the report due to the Commission's adoption, effective January 1, 2003, of a new Uniform System of Accounts (USOA) for Class A and Class B Telephone Utilities in docket 05-US-113.
3. The 2003 program includes annual report requirements set forth in the Commission's order in docket 05-US-113.
4. The format of several schedules (i.e., plant in service, accumulated depreciation, deferred taxes, and other income accounts) were changed from 2002 in that the 2003 report builds up from the respective net regulated balance(s) and adds the nonregulated amount(s) to derive total company amounts.
5. Two new contacts were added to the Identification and Ownership schedule: Primary utility contact (located at utility address); and Contact person for regulatory inquiries and complaints.
6. Several additional schedules pertaining to nonregulated activity were added on p. 45.
7. The 2003 LEC report contains the ability for the user to request provisional confidential treatment for those items granted provisional confidential treatment in the Commission's January 29, 2003, Confidentiality Determination concerning the 2002 LEC report, as supplemented for the new nonregulated schedules and a request for additional confidential treatment dated April 15, 2004. The latter resulted

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in additional locks being available on the Service Data--End of Year and
Central Office Data--End of Year schedules.

For the 2003 LEC annual report program, which was released on May 6, 2004, the Commission has continued a paperless filing process. The 2003 LEC program contains capability allowing users to file selected portions of the report on a provisional confidential basis as noted in item 7 above.³ Unless an LEC desires additional provisional confidential treatment of any portion of the 2003 LEC annual report, all 2003 LEC annual report filings must be accomplished via the 2003 LEC annual report program's e-mail capabilities with an encrypted, zipped attachment containing the exported 2003 annual report information, together with an export status report, edit check listing, and listing of schedules with confidential locks.⁴

Filing of the 2003 LEC annual report using the 2003 LEC annual report program will result in the remaining portions of the report being available on a public basis. Any LEC wishing to file additional portions of its 2003 LEC annual report on a confidential basis should contact Commission staff concerning the particular procedures which must be followed for a manual annual report filing. LECs wishing additional confidential handling must submit a request, in accordance with Wis. Admin. Code § PSC 2.12, with their manual filing. Subsequent to such manual filing, the Commission will issue a confidentiality determination in accordance with the rule. If the Commission denies a request for confidential handling, the information will

³ The 2003 LEC annual report program contains padlocks allowing users to file selected information on a confidential basis. However, a particular item is only accorded provisional confidential treatment if the padlock associated with that item is locked.

⁴ Use of the 2003 LEC annual report program filing process requires neither the filing of a completed Confidentiality Request form nor a notarized affidavit. Program instructions direct that if a user desires additional provisional confidential treatment above that provided in the LEC annual report form, the user should not electronically file the annual report. Instead, the user should contact Commission staff concerning required manual filing procedures.

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be handled confidentially until 14 days after the determination, after which it will be posted on the Commission's website along with the remainder of the annual report.

Previous Confidentiality Rulings

In its Confidentiality Determination dated January 29, 2003, provisional confidential treatment was granted for all LECs with respect to selected schedules and identified information. Provisional confidential treatment was likewise granted for LECs with three or fewer exchanges and denied for LECs with four or more exchanges with respect to other selected schedules and identified information.

On April 15, 2004, Verizon North Inc., requested additional provisional confidential treatment for selected items on the Service Data--End of Year and Central Office Data--End of Year schedules. Based on the authority delegated to the Administrator of the Telecommunications Division on March 11, 2004, on May 5, 2004, provisional confidential treatment was granted for all LECs concerning the requested items.

As noted above, several nonregulated schedules were added to the 2003 LEC annual report program. Provisional confidential treatment was, likewise, granted for selected items on these schedules based on the above-referenced delegated authority.

Based on the above and other USOA-related changes to the LEC annual report, the complete list of items eligible for provisional confidential treatment in the 2003 LEC annual report program consists of the following schedules and identified information:

1. Affiliated Interest Transactions Schedule (p. 15).
 - a. Total Dollar Activity for the Year (000's);

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- b. Percent of affiliate's business billed to all affiliated regulated utilities; and
 - c. If cost based, rate of return on equity or markup incorporated in billings from affiliates.
- 2. Affiliated Assets and Liabilities (Balance End of Year (EOY) (000's) column) (p. 16).

Respective Balance EOY amounts.
- 3. Revenues Schedule (This Year (000's) and Last Year (000's) columns) (p. 40).
 - a. Miscellaneous Revenue (5200)*,
 - b. Directory Revenue (5230); and
 - c. Nonregulated Operating Revenue (5280)*.
- 4. Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes (This Year (000's) column) (p. 43).
 - a. Plus: Intrastate Payphone Revenues;
 - b. Plus (or Less) Other; and
 - c. Assessable Revenues for Universal Service Fund Assessment Purposes (if at least one of the earlier items in this schedule was accorded confidential treatment).
- 5. Nonregulated Activities Schedule (p. 45).

Respective nonregulated activities (if three or fewer in number).
- 6. Nonregulated Income Statement Schedule (This Year (000's) and Last Year (000's) columns) (p. 45).

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- a. Nonregulated Operating Revenue (5280);
 - b. Nonregulated Network Support Expense (6110);
 - c. Nonregulated General Support Expense (6120);
 - d. Nonregulated Central Office Switching Expense (6210);
 - e. Nonregulated Operator Systems Expense (6220);
 - f. Nonregulated Central Office Transmission Expense (6230);
 - g. Nonregulated Information Orig./Term. Expense (6310);
 - h. Nonregulated Cable and Wire Facilities Expense (6410);
 - i. Nonregulated Other Property, Plant and Equip. Exp. (6510);
 - j. Nonregulated Network Operations Expense (6530);
 - k. Nonregulated Access Expense (6540);
 - l. Nonregulated Depreciation and Amortization Expense (6560);
 - m. Nonregulated Marketing (6610);
 - n. Nonregulated Services (6620);
 - o. Nonregulated General and Administrative (6720); and
 - p. Nonregulated Provision for Uncollectible Notes Receivable (6790).
7. Nonregulated Telecommunications Plant in Service Schedule (p. 45).
- a. Respective Plant Account names;
 - b. Respective Account numbers; and
 - c. Respective Balance EOY (000's) amounts.
8. Nonregulated Accumulated Depreciation Schedule (p. 45).
- a. Respective Plant Account names;

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- b. Respective Account numbers;
 - c. Respective Annual Accrual (000's) amounts;
 - d. Respective Additional Accrual (000's) amounts; and
 - e. Respective Balance EOY (000's) amounts.
9. Nonregulated Investments (Balance EOY (000's) column) (p. 45).
- a. Telecommunications Plant Under Construction - Allocation to Nonregulated Activity;
 - b. Inventories - Allocation to Nonregulated Activity;
 - c. Net Deferred Operating Income Taxes - Allocation to Nonregulated Activity (only for non-Earnings Regulated LECs); and
 - d. Net Nonregulated Investments (if at least one of the earlier items in this schedule was accorded confidential treatment).
10. Telephone Calls and Minutes of Use Per Month Schedule (p. 47) - Only for those LECs with three or less exchanges.
- a. Local - Intra-Exchange;
 - b. Local - Extended Area Service;
 - c. Local - Extended Community Calling; and
 - d. Other Local – Undefined.
11. Access Usage Schedule (Billed Minutes (000's) by Jurisdiction – Interstate; Intrastate; InterLATA; IntraLATA) (p. 48) - Only for those LECs with three or less exchanges.

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- a. Feature Group A – Orig.;
 - b. Feature Group A – Term.;
 - c. Feature Group B – Orig.;
 - d. Feature Group B – Term.;
 - e. Feature Group C – Orig.;
 - f. Feature Group C – Term.;
 - g. Feature Group D – Orig.; and
 - h. Feature Group D – Term.
12. Special Access Circuits in Use at End of Year Schedule (InterLATA and IntraLATA Channel Terminations) (p. 49) - Only for those LECs with three or less exchanges.
- a. Voice grade;
 - b. 56 kbps;
 - c. 64 kbps (DS0);
 - d. 1.54 Mbps (DS-1);
 - e. 45 Mbps (DS-3);
 - f. SONET OC-1;
 - g. SONET OC-3;
 - h. SONET OC-12;
 - i. SONET OC-48; and
 - j. SONET OC-192.

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13. Service Data Schedule (Total Company First of Year (FOY) & End of Year (EOY) columns) (p. 50) - Only for those LECs with three or less exchanges.

a. Business Category.

- 1) 1 Party;
- 2) 2 Party;
- 3) 4 Party;
- 4) PBX Trunks/System Trunks;
- 5) Centrex Trunks;
- 6) Centrex Lines;
- 7) Key System Trunks;
- 8) Mobile (Utility Provided Service);
- 9) Paging (Utility Provided Service);
- 10) FX-Out (Switched);
- 11) Pay Telephone;
- 12) Coin-Operated Pay Telephone;
- 13) Independent Pay Telephone Provider; and
- 14) Other.

b. Residential Category.

- 1) 1 Party;
- 2) 2 Party;
- 3) 4 Party;

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- 4) FX-Out (Switched); and
 - 5) Other.
 - c. Miscellaneous.
 - 1) WATS Lines – OutWATS;
 - 2) WATS Lines - 800 Service;
 - 3) FX-In-intraLATA;
 - 4) Special Access – intraLATA;
 - 5) Special Access – interLATA;
 - 6) Feature Group A Lines;
 - 7) Feature Group B Trunks;
 - 8) Feature Group C Trunks;
 - 9) Feature Group D Trunks;
 - 10) TSPS – Trunks; and
 - 11) Cellular Trunks (Pub. Sw. Net.).
14. Service Data EOY Schedule (All columns by Exchange) (p. 52).
- a. Business Category.
 - 1) 1 Party;
 - 2) 2 Party;
 - 3) 4 Party;
 - 4) PBX Trunks/System Trunks;
 - 5) Centrex Trunks;
 - 6) Centrex Lines;

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- 7) Key System Trunks;
 - 8) Mobile (utility provided service);
 - 9) Paging (utility provided service);
 - 10) FX-Out (Switched);
 - 11) Pay Telephone;
 - 12) Coin-Operated Pay Telephone;
 - 13) Independent Pay Telephone Provider;
 - 14) Other; and
 - 15) Total Business Lines.
- b. Residential Category.
- 1) 1 Party;
 - 2) 2 Party;
 - 3) 4 Party;
 - 4) FX-Out (Switched);
 - 5) Other; and
 - 6) Total Residential Lines.
- c. Other Lines Category.
- 1) Total Bus & Res Lines;
 - 2) Company Used Lines; and
 - 3) Total Lines Used.
- d. Miscellaneous.

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- 1) WATS Lines – OutWATS;
 - 2) WATS Lines - 800 Service;
 - 3) FX-In-intraLATA;
 - 4) Special Access – intraLATA;
 - 5) Special Access – interLATA;
 - 6) Feature Group A Lines;
 - 7) Feature Group B Trunks;
 - 8) Feature Group C Trunks;
 - 9) Feature Group D Trunks;
 - 10) TSPS – Trunks;
 - 11) EAS and ECC – Trunks;
 - 12) Cellular Trunks (Pub. Sw. Net.); and
 - 13) Video Distance Learning - discounted (special tariff).
 - e. Other.
 - 1) Exchange Square Miles; and
 - 2) Exchange Route Miles.
15. Central Office Data - End of Year Schedule (p. 55).
- a. Access Lines - In Use;
 - b. Access Lines – Equipped;
 - c. Access Lines – Wired;
 - d. Trunks - In Use;
 - e. Trunks – Equipped;

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- f. Trunks – Wired;
- g. ISDN Lines - In Use (BRI);
- h. ISDN Lines - In Use (PRI);
- i. XDSL - In Use (# lines);
- j. Switched 56 lines in use;
- k. Digital Transmission Facilities: DS-1 - In use;
- l. Digital Transmission Facilities: DS-3 - In use;
- m. Video Information Service - In Use (# lines);
- n. Fiber Transmission Facilities: No. of fiber strands entering C.O.;
- o. Fiber Transmission Facilities: No. of fiber strands working (LIT) in C.O.;
- p. Fiber Transmission Facilities: No. of fiber strands for interoffice use;
- and
- q. Fiber Transmission Facilities: Miles of fiber sheath in wire center.

LECs requesting confidential handling of additional portions of their 2003 LEC annual reports should be aware that, under Wis. Admin. Code § PSC 2.12, they have the burden of

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establishing a reasonable basis to believe that the information is exempt from disclosure under one of the grounds listed in Wis. Admin. Code § PSC 2.12(3)(a).

Dated at Madison, Wisconsin, September 28, 2004

For the Commission:

/s/ Gary A. Evenson

Gary A. Evenson
Administrator
Telecommunications Division

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